

A RESOLUTION

BY *Debi Starnes*

04- *R* -0767

A RESOLUTION TO SPECIFY THE PRINCIPAL AMOUNT TO MATURE IN EACH YEAR AND THE OPTIONAL AND MANDATORY REDEMPTION PROVISIONS OF THE SERIES 2004D BONDS (AUCTION RATE SECURITIES) AND THE SERIES 2004E BONDS (AUCTION RATE SECURITIES) BEING ISSUED PURSUANT TO THE SEVENTH SUPPLEMENTAL BOND ORDINANCE ADOPTED ON APRIL 19, 2004 (04-O-0431); TO SPECIFY THE INITIAL INTEREST RATES AND INITIAL AUCTION PERIODS FOR EACH SERIES; TO RATIFY THE BOND PURCHASE AGREEMENT; TO PROVIDE FOR BOND INSURANCE AND A RESERVE ACCOUNT CREDIT POLICY; TO AUTHORIZE THE EXECUTION AND DELIVERY OF BROKER-DEALER AGREEMENTS AND AUCTION AGENT AGREEMENTS; TO PROVIDE FOR THE DELIVERY OF THE SERIES 2004D-1 BONDS, SERIES 2004D-2 BONDS, SERIES 2004E-1 BONDS AND SERIES 2004E-2 BONDS; TO PROVIDE FOR THE APPLICATION OF THE PROCEEDS OF THE BONDS; AND FOR OTHER PURPOSES.

RESOLUTION

ADOPTED MAY __, 2004
BY THE CITY COUNCIL OF THE CITY OF ATLANTA
PROVIDING FOR THE ISSUANCE OF

\$ _____
Airport Passenger Facility Charge and
Subordinate Lien General Revenue Bonds
Series 2004D-1 (Auction Rate Securities)

\$ _____
Airport Passenger Facility Charge and
Subordinate Lien General Revenue Bonds
Series 2004D-2 (Auction Rate Securities)

\$ _____
Airport Passenger Facility Charge and
Subordinate Lien General Revenue Bonds
Series 2004E-1 (Auction Rate Securities)

\$ _____
Airport Passenger Facility Charge and
Subordinate Lien General Revenue Bonds
Series 2004E-2 (Auction Rate Securities)

A RESOLUTION TO SPECIFY THE PRINCIPAL AMOUNT TO MATURE IN EACH YEAR AND THE OPTIONAL AND MANDATORY REDEMPTION PROVISIONS OF THE SERIES 2004D BONDS (AUCTION RATE SECURITIES) AND THE SERIES 2004E BONDS (AUCTION RATE SECURITIES) BEING ISSUED PURSUANT TO THE SEVENTH SUPPLEMENTAL BOND ORDINANCE ADOPTED ON APRIL 19, 2004 (04-O-0431); TO SPECIFY THE INITIAL INTEREST RATES AND INITIAL AUCTION PERIODS FOR EACH SERIES; TO RATIFY THE BOND PURCHASE AGREEMENT; TO PROVIDE FOR BOND INSURANCE AND A RESERVE ACCOUNT CREDIT POLICY; TO AUTHORIZE THE EXECUTION AND DELIVERY OF BROKER-DEALER AGREEMENTS AND AUCTION AGENT AGREEMENTS; TO PROVIDE FOR THE DELIVERY OF THE SERIES 2004D-1 BONDS, SERIES 2004D-2 BONDS, SERIES 2004E-1 BONDS AND SERIES 2004E-2 BONDS; TO PROVIDE FOR THE APPLICATION OF THE PROCEEDS OF THE BONDS; AND FOR OTHER PURPOSES:

WHEREAS, pursuant to the Seventh Supplemental Bond Ordinance adopted on April 19, 2004 (the “**Seventh Supplemental Bond Ordinance**”) by the Council of the City of Atlanta (the “**City Council**”), the City Council has authorized the issuance by the City of not to exceed \$275,000,000 aggregate principal amount of its Airport General Revenue Bonds, Series 2004A (the “**Series 2004A Bonds**”) and Series 2004B (the “**Series 2004B Bonds**”; the Series 2004A Bonds and the Series 2004B Bonds are sometimes collectively referred to as the “**Series 2004A/B Bonds**”, and the Series 2004A/B Bonds and the Series 2004C Bonds, as hereinafter defined, are sometimes collectively referred to as the “**Series 2004A/B/C Bonds**”); and

WHEREAS, also pursuant to the Seventh Supplemental Bond Ordinance, the City Council has authorized the issuance by the City of not to exceed \$675,000,000 aggregate principal amount of its Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds, Series 2004C (the “**Series 2004C Bonds**”), Series 2004D (Auction Rate Securities) (the “**Series 2004D Bonds**”) and Series 2004E (Auction Rate Securities) (the “**Series 2004E Bonds**”; the Series 2004D Bonds and the Series 2004E Bonds are sometimes collectively referred to as the “**Series 2004D/E Bonds**”); and

WHEREAS, pursuant to a resolution adopted May __, 2004 (the “2004A/B/C Sale Resolution”), the Issuer has authorized and approved the issuance and sale of the Series 2004A Bonds in the aggregate principal amount of \$_____, the Series 2004B Bonds in the aggregate principal amount of \$_____ and the Series 2004C Bonds in the aggregate principal amount of \$_____, all bearing interest, and maturing in the years and amounts, set forth in the 2004A/B/C Sale Resolution; and

WHEREAS, the Seventh Supplemental Bond Ordinance provides that the Series 2004D/E Bonds are to be dated not later than the date of issuance and delivery, to be initially issued as book-entry only bonds in fully registered form without coupons, transferable to subsequent owners as therein provided, in Authorized Denominations (as defined in the Seventh Supplemental Bond Ordinance), numbered from RD-1 or RE-1 upwards, as applicable, bearing interest from date initially at the Auction Period Rate (as defined in the Seventh Supplemental

Bond Ordinance), and the principal maturing on January 1 in the year or years not later than 2033, in such principal amounts such that the highest Debt Service Requirement on the Series 2004D/E Bonds and the Series 2004C Bonds in any Sinking Fund Year shall not exceed \$50,000,000; and

WHEREAS, it was provided in the Seventh Supplemental Bond Ordinance that each series of the Series 2004D/E Bonds shall have initial "Auction Dates," initial "Auction Periods," and initial "Interest Payment Dates," and be divisible into such series, as set out in the Supplemental Resolution; and

WHEREAS, the Series 2004D/E Bonds shall be Variable Rate Bonds but at no time shall the annual rate of interest that the Series 2004D/E Bonds may bear exceed the Maximum Rate (as defined in the Seventh Supplemental Bond Ordinance), the highest Debt Service Requirement on the Series 2004D/E Bonds and the Series 2004C Bonds in any Sinking Fund Year (determined in accordance with the Master Bond Ordinance), do not exceed \$50,000,000, and the Series 2004D/E Bonds shall bear interest from date initially at the Auction Period Rate determined in accordance with Exhibit C to the Seventh Supplemental Bond Ordinance (the "**Auction Rate Terms**"), and the sale of the Series 2004D/E Bonds at the prices set forth in the Bond Purchase Agreement hereinafter described will provide the City with sufficient funds, together with the proceeds of the Series 2004C Bonds, to refund the Series 2003 Notes and to finance or refinance the 2004 Project as set forth in the Seventh Supplemental Bond Ordinance; and

WHEREAS, pursuant to the provisions of the Seventh Supplemental Bond Ordinance, the City has determined that the Series 2004D Bonds shall be divided into two series, designated as "Series 2004D-1" and "Series 2004D-2," and the Series 2004E Bonds shall be divided into two series, designated as "Series 2004E-1" and "Series 2004E-2," and the Series 2004D/E Bonds shall have initial "Auction Dates," initial "Auction Periods," and initial "Interest Payment Dates" as hereinafter set forth; and

WHEREAS, pursuant to authority granted in Resolution 04-R-0075 dated January 20, 2004, in consultation with the Airport, the City Attorney has negotiated for execution by the Mayor or her designee of an agreement with Bear, Stearns & Co., Inc. ("**Bear Stearns**"), pursuant to which Bear Stearns, subject to certain terms and conditions, agrees to purchase all but not part of the Series 2004D-1 Bonds and the Series 2004E-1 Bonds (the "**Bear Stearns Bond Purchase Agreement**"); and

WHEREAS, pursuant to authority granted in Resolution 04-R-0075 dated January 20, 2004, in consultation with the Airport, the City Attorney has negotiated for execution by the Mayor or her designee of an agreement with J.P. Morgan Securities Inc. ("**J.P. Morgan**" and, together with Bear Stearns, the "**Underwriters**"), pursuant to which J.P. Morgan, subject to certain terms and conditions, agrees to purchase all but not part of the Series 2004D-2 Bonds and the Series 2004E-2 Bonds (the "**J.P. Morgan Bond Purchase Agreement**" and, together with the Bear Stearns Bond Purchase Agreement, collectively, the "**Bond Purchase Agreement**"); and

WHEREAS, the City wishes to ratify and reaffirm the acceptance by the City of the Bond Purchase Agreement and to proceed with the authorization of the sale of the Series 2004D/E Bonds and to provide for their delivery in accordance with the terms set forth in the Seventh Supplemental Bond Ordinance; and

WHEREAS, to provide for the remarketing of Series 2004D/E Bonds in accordance with the Auction Rate Procedures attached as Exhibit C-1 to the Seventh Supplemental Bond Ordinance (the “**Auction Rate Procedures**”), it is necessary to authorize the execution and delivery by the City of separate Broker-Dealer Agreements, with each of the Underwriters; and

WHEREAS, in accordance with the Auction Rate Procedures it is necessary to authorize the execution and delivery by the City of an Auction Agent Agreement with respect to each series of the Series 2004D/E Bonds; and

WHEREAS, it was provided in the Seventh Supplemental Bond Ordinance that, subsequent to the negotiated sale of the Series 2004D/E Bonds, the City would adopt a supplemental resolution specifying, among other things, the principal amount of Series 2004D/E Bonds to mature in each year, the optional and mandatory sinking fund redemption provisions applicable to the Series 2004D/E Bonds, would set forth the terms of any bond insurance policy and debt service reserve insurance policy to be issued in connection with the issuance of the Series 2004D/E Bonds, would provide for the application of the proceeds of the Series 2004D/E Bonds, and would provide for the actual issuance and delivery of the Series 2004D/E Bonds upon payment therefor by the Underwriters; and

WHEREAS, the Series 2004D/E Bonds should now be executed, issued and delivered.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Atlanta, and it is hereby resolved by authority of the same, as follows:

Section 1.1 Definitions. Capitalized terms used in this Resolution and not otherwise defined herein are used with the meanings assigned to such terms by the Seventh Supplemental Bond Ordinance (04-O-0431), and the Bond Ordinance (as defined in the Seventh Supplemental Bond Ordinance).

In accordance with the Seventh Supplemental Bond Ordinance, the following terms are defined as follows:

“**Series 2004D/E Bonds Reserve Policy Agreement**” means the Debt Service Reserve Fund Policy Agreement to be dated as of May __, 2004, between the City and the Series 2004D/E Bonds Reserve Policy Provider.

“**Series 2004D/E Bond Insurance Policy**” shall mean the insurance policy issued by the Series 2004D/E Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2004 Bonds when due.

“**Series 2004D/E Bond Insurer**” shall mean _____, or any successor thereto or assignee thereof.

“**Series 2004D/E Bonds Reserve Policy**” means the municipal bond debt service reserve fund policy issued by the Series 2004D/E Bond Insurer relating to the Series 2004D/E Bonds.

“**Series 2004D/E Bonds Reserve Policy Provider**” shall mean _____, or any successor thereto or assignee thereof.

Section 1.2 Issuance of Series 2004D/E Bonds. There are hereby authorized to be issued pursuant to the Seventh Supplemental Bond Ordinance \$_____ aggregate principal amount of Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds, Series 2004D-1 (Auction Rate Securities), \$_____ aggregate principal amount of Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds, Series 2004D-2, \$_____ aggregate principal amount of Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds, Series 2004E-1, and \$_____ aggregate principal amount of Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds, Series 2004E-2 (Auction Rate Securities). The Series 2004D/E Bonds shall be dated as of the date of issuance and delivery, be numbered from RD1-1, RD2-2, RE1-1 or RE2-1 upwards, as applicable, shall be initially issued in book-entry only form as fully-registered bonds without coupons, shall be in Authorized Denominations (as defined in the Auction Rate Terms), shall have initial Auction Periods, initial Auction Rates and initial Interest Payment Dates as set forth below, shall bear interest from date initially at the Auction Period Rate determined in accordance with the Auction Rate Terms, all interest payable on each Interest Payment Date (as defined in the Auction Rate Terms), and shall mature on January 1 in the following years and amounts:

Series 2004D-1

| Principal Amount | Maturity Date | Initial Interest Rate | Initial Auction Date | Initial Auction Period | Initial Interest Payment Dates |
|---------------------|---------------|--------------------------|-------------------------|---------------------------|-----------------------------------|
|---------------------|---------------|--------------------------|-------------------------|---------------------------|-----------------------------------|

Series 2004D-2

| Principal Amount | Maturity Date | Initial Interest Rate | Initial Auction Date | Initial Auction Period | Initial Interest Payment Dates |
|---------------------|---------------|--------------------------|-------------------------|---------------------------|-----------------------------------|
|---------------------|---------------|--------------------------|-------------------------|---------------------------|-----------------------------------|

Series 2004E-1

| Principal Amount | Maturity Date | Initial Interest Rate | Initial Auction Date | Initial Auction Period | Initial Interest Payment Dates |
|---------------------|---------------|--------------------------|-------------------------|---------------------------|-----------------------------------|
|---------------------|---------------|--------------------------|-------------------------|---------------------------|-----------------------------------|

Series 2004E-2

| Principal Amount | Maturity Date | Initial Interest Rate | Initial Auction Date | Initial Auction Period | Initial Interest Payment Dates |
|---------------------|---------------|--------------------------|-------------------------|---------------------------|-----------------------------------|
|---------------------|---------------|--------------------------|-------------------------|---------------------------|-----------------------------------|

Section 1.3 Optional Redemption of Series 2004D/E Bonds. The Series 2004D/E Bonds may be redeemed at the option of the City in accordance with Section C-301 of the Auction Rate Terms.

The redemption of the Series 2004D/E Bonds shall be in accordance with the provisions of Article III of the Master Bond Ordinance. The Series 2004D/E Bonds may be made subject to Conditional Redemption as provided in Section 305 of the Master Bond Ordinance. Notice having been given in the manner and under the conditions hereinabove provided, the Series 2004D/E Bonds so designated for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price hereinabove specified, and from and after the date of redemption so designated, unless default shall be made in the payment of the Series 2004D/E Bonds so designated for redemption, interest on the Series 2004D/E Bonds so designated for redemption shall cease to accrue after the redemption date.

Section 1.4 Acceptance of Bond Purchase Agreement. The City hereby accepts and approves (i) the Bond Purchase Agreement with respect to the Series 2004D-1 Bonds and Series 2004E-1 Bonds, by and between the City and Bear Stearns, as Underwriter, and (ii) the Bond Purchase Agreement with respect to the Series 2004D-2 Bonds and Series 2004E-2 Bonds, by and between the City and J.P. Morgan, as Underwriter, copies of which are attached hereto, marked Exhibits A-1 and A-2 and made a part hereof. The City hereby ratifies and reaffirms all actions heretofore taken by the City Finance Officer and the City Attorney in connection with the offer and sale of the Series 2004D/E Bonds for and on behalf of the City.

Section 1.5 Authorization of Broker-Dealer Agreements. The City hereby authorizes the execution, delivery and performance by the City of (i) separate Broker-Dealer Agreements with Bear Stearns relating to the Series 2004D-1 Bonds and the Series 2004E-1 Bonds and (ii) separate Broker-Dealer Agreements with J.P. Morgan relating to the Series 2004D-2 Bonds and the Series 2004E-2 Bonds (collectively, the “**Broker-Dealer Agreements**”). The Broker-Dealer Agreements shall be in substantially the forms attached hereto as Exhibit B. The Mayor and the Municipal Clerk are hereby authorized and directed to execute the Broker-Dealer Agreements for and on behalf of the City.

Section 1.6 Authorization of Auction Agent Agreements. The City hereby authorizes the execution, delivery and performance by the City of separate Auction Agent Agreements with _____, as Auction Agent, with respect to each series of the Series 2004D/E Bonds (collectively, the “**Auction Agent Agreements**”). The Auction Agent Agreements shall be in substantially the form attached hereto as Exhibit C. The Mayor and the Municipal Clerk are hereby authorized and directed to execute the Auction Agent Agreements for and on behalf of the City.

Section 1.7 Series 2004D/E Bond Insurance Policy. The Mayor and the Municipal Clerk are hereby authorized and directed to purchase the Series 2004D/E Bond Insurance Policy which shall constitute a Credit Facility with respect to the Series 2004D/E Bonds. The following provisions shall apply with respect to the Series 2004D/E Bonds so long as the Series 2004D/E Bond Insurance Policy is in full force and effect:

[Provisions Required for Series 2004D/E Bond Issuance Policy]

Section 1.8 Reserve Account Credit Facility. The Debt Service Reserve Requirement for the Series 2004D/E Bonds shall be satisfied by the Series 2004D/E Bonds Reserve Policy (which constitutes a Reserve Account Credit Facility) to be issued by the Series 2004D/E Bonds Reserve Policy Provider. The Mayor and Municipal Clerk are hereby authorized and directed to purchase the Series 2004D/E Bonds Reserve Policy. The Mayor and the Municipal Clerk are hereby authorized and directed to execute, for and on behalf of the City, the Series 2004D/E Bonds Reserve Policy Agreement relating thereto, which Series 2004D/E Bonds Reserve Policy Agreement shall be in substantially the form attached as Exhibit D hereto and incorporated herein, with such changes as may be authorized by the Mayor. The execution and delivery of the Series 2004D/E Bonds Reserve Policy Agreement shall be conclusive evidence of the approval of any such changes. The following provisions shall apply with respect to the Series 2004D/E Bonds so long as the Series 2004D/E Bonds Reserve Policy is in full force and effect:

[Provisions Required for Series 2004D/E Bonds Reserve Policy]

Section 1.9 Debt Service Reserve Account. Pursuant to Section 402(c)(2) of the Master Bond Ordinance and the 2004A/B/C Sale Resolution, the City has created a PFC Revenue Bond Subaccount of the Debt Service Reserve Account as a common reserve for all Bonds with a Senior Lien on PFC Revenues, as such bonds have a combined Debt Service Reserve Requirement. The Series 2004D/E Bonds Reserve Policy shall be held for the credit of the PFC Revenue Bond Subaccount of the Debt Service Reserve Account for the benefit of the holders of the Series 2004D/E Bonds.

Section 1.10 Application of Proceeds of Series 2004D/E Bonds. From the proceeds derived from the sale of the Series 2004D/E Bonds, the following payments shall be made, simultaneously with the issuance and delivery of the Series 2004D/E Bonds, to the extent and in the manner herein set forth:

(a) The sum of \$_____ shall be deposited into the 2003 Note Retirement Account created pursuant to the Fifth Supplemental Bond Ordinance and held by Wachovia Bank, National Association, the Bond Registrar and Paying Agent for the Series 2003 Notes, to pay the redemption price of the Series 2003 Notes on the earliest practicable date following the issuance of the Series 2004D/E Bonds on which the Series 2003 Notes may be redeemed.

(b) The sum of \$_____ shall be paid to the Series 2004D/E Bond Insurer as the premium on the 2004D/E Bond Insurance Policy.

(c) The sum of \$_____ shall be paid to the Series 2004D/E Bond Insurer with respect to the Series 2004D/E Bonds Reserve Policy.

(d) The sum of \$_____ shall be deposited into the Costs of Issuance Account of the 2004 Project Fund created in the Seventh Supplemental Bond Ordinance and applied to payment of the expenses incurred in connection with the issuance of the Series 2004D/E Bonds.

(e) The sum of \$_____ shall be deposited into the General Account of the 2004 Project Fund and used to pay Costs of the 2004 Project.

Section 1.11 Repealer. Any and all resolutions or parts of resolutions in conflict with this Supplemental Resolution, this day adopted be and the same are hereby repealed, and this Resolution shall be in full force and effect from and after its adoption.

Adopted May __, 2004.

CITY OF ATLANTA

By: _____
Mayor

AUTHENTICATED:

Municipal Clerk

EXHIBIT A
BOND PURCHASE AGREEMENTS

EXHIBIT B

FORM OF BROKER-DEALER AGREEMENTS

EXHIBIT C
FORM OF AUCTION AGENT AGREEMENTS

EXHIBIT D
FORM OF RESERVE POLICY AGREEMENT

#22

04-R-0767

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A RESOLUTION
BY

A RESOLUTION TO SPECIFY THE PRINCIPAL AMOUNT TO MATURE IN EACH YEAR AND THE OPTIONAL AND MANDATORY REDEMPTION PROVISIONS OF THE SERIES 2004D BONDS (AUCTION RATE SECURITIES) AND THE SERIES 2004E BONDS (AUCTION RATE SECURITIES) BEING ISSUED PURSUANT TO THE SEVENTH SUPPLEMENTAL BOND ORDINANCE ADOPTED ON APRIL 19, 2004 (04-0-0431); TO SPECIFY THE INITIAL INTEREST RATES AND INITIAL AUCTION PERIODS FOR EACH SERIES; TO RATIFY THE BOND PURCHASE AGREEMENT; TO PROVIDE FOR BOND INSURANCE AND A RESERVE ACCOUNT CREDIT POLICY; TO AUTHORIZE THE EXECUTION AND DELIVERY OF BROKER-DEALER AGREEMENTS AND AUCTION AGENT AGREEMENTS; TO PROVIDE FOR THE DELIVERY OF THE SERIES 2004D-1 BONDS, SERIES 2004D-2 BONDS, SERIES 2004E-1 BONDS AND SERIES 2004E-2 BONDS; TO PROVIDE FOR THE APPLICATION OF THE PROCEEDS OF THE BONDS; AND FOR OTHER PURPOSES.

Rubens
Rosalind Rubens Newell, Deputy City Attorney

- ☐ CONSENT REFER
- ☐ REGULAR REPORT REFER
- ☐ ADVERTISE & REFER
- ☐ 1st ADOPT 2nd READ & REFER
- ☒ PERSONAL PAPER REFER

Date Referred 4/19/04Referred To: Finance Executive

Date Referred

Referred To:

Date Referred

Referred To:

First Reading

Committee _____
Date _____
Chair _____
Referred To _____

Committee

Date

Chair

Action

Fav, Adv, Hold (see rev. side)

Other

Members

Committee

Date

Chair

Action

Fav, Adv, Hold (see rev. side)

Other

Members

Refer To

Refer To

Committee

Date

Chair

Action

Fav, Adv, Hold (see rev. side)

Other

Members

Committee

Date

Chair

Action

Fav, Adv, Hold (see rev. side)

Other

Members

Refer To

Refer To

CERTIFIED

FINAL COUNCIL ACTION

☐ 2nd ☐ 1st & 2nd ☐ 3rd

Readings

☐ Consent ☐ V Vote ☐ RC Vote

MAYOR'S ACTION